

# Item 11

## Information Item

### Update on the Governor's 2016 budget

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This item contains an update on the Governor's 2016 budget proposal and the California Student Aid Commission's Budget Change Proposals for the 2016-17 budget year.

As noted during the January 2016 meeting, the Governor has continued his commitment to financial aid to students by proposing to fully fund the Cal Grant program, including anticipated growth in the 2016-17 academic year.

As also mentioned in the January meeting, CSAC requested 2016-17 budget change proposals (BCPs) totaling \$255.1 million consisting of \$244.6 Million in additional grant funding, \$10.5 million in operations funding and 61 additional positions as detailed in Item 11.1. While none of these requests were funded, we will be pursuing our on-going discussion with the Department of Finance and the Administration about the requests.

The list in Item 11.1 includes several technical requests. Budget Baseline Adjustment (BBA (01) asks for full-year funding for four positions for the Grant Delivery System Modernization Project that were partially funded in the 2015 State Budget Act. Legislative BCP 01 and BCP 02, listed at the bottom of Item 11.1, are requests related to legislation enacted in the first year of the 2015-16 legislative session.

BCP 01 (Grant Delivery System Modernization) is more fully discussed in Item 7.

BCP 02, 03, 04, and 05 ask for increases in the number or size of Cal Grant awards, and for the reinstatement of the APLE loan assumption program. These BCPs ask for a total of \$224.6 million in funding.

The other BCPs involve operational matters, many of which involve the policy concerns. For example, BCP 06 (Student Expense and Resources Survey), BCP 07 (College and Career Connection), BCP 08 (Program Review and Capacity), totaling 10 positions and \$1.3 million, were identified by the Commission as deliverables in action plans developed during the Commission's strategic planning discussion and development at the June 25-26, 2015 meeting.

BCP 09 (Human Resources Management) and BCP 10 (Expanded Customer Care Services), respectively, seek to improve our ability to meet state requirements for equal opportunity employment and training, and to respond to questions and requests from assistance from students, parents and institutions.

**Recommended Action:** Staff recommends that the Commission provide guidance as to which of these BCPs, if any, the Commission wishes to pursue in the legislative budget process.

**Responsible Person(s):** Brandon Biegert, Senior Policy Analyst  
Strategic Policy, Media and Communications Division

**California Student Aid Commission  
2016-17 Budget Change Proposals (BCP)**

**Item 11.1**

<b>BCP Proposal</b>	<b>Description</b>	<b>PY</b>	<b>Operations</b>	<b>Local Assistance</b>	<b>Total</b>
Baseline Budget Adjust (BBA) 01 - Full Year Funding	Full year funding for the 4 IT positions originally authorized and funded beginning the 2nd quarter of 2015-16	1.0	\$131,000	\$0	\$131,000
BCP 01 - Grant Delivery System Modernization (GDSM) (5 PASD and 20 IT PY's; 17 contractors)	Funding and positions for the continuation of GDSM Project planning and to address IT security issues and processes	25.0	\$6,394,000	\$0	\$6,394,000
BCP 02 - Increase Cal Grant B Award Amount	Increase the Cal Grant B Access award from \$1,648 to \$3,000	0.0	\$0	\$205,000,000	\$205,000,000
BCP 03 - Increase Cal Grant C Award Amount	Increase the Cal Grant C tuition and fees amount from \$2,462 to \$5,472 and books/supplies amount from \$547 to \$1,500	0.0	\$0	\$23,600,000	\$23,600,000
BCP 04 - Increase Competitive Cal Grant (4 PASD PY's)	Increase the number of annually authorized Competitive Awards from 25,750 to 32,250, and provide funding and positions to implement the augmented program	4.0	\$372,000	\$16,000,000	\$16,372,000
BCP 05 - Assumption Program of Loans for Education (APLE) (5 PASD PY's, 3 IT PY's)	Reinstate the APLE program for teachers by authorizing the annual issuance of 1,000 new awards and provide funding and positions to reinstate the program	8.0	\$894,000	\$0	\$894,000
BCP 06 - Student Expense and Resources Survey (SEARS) (2 PASD PY's)	Funding and positions to implement a statewide survey of students to establish current college costs of attendance	2.0	\$213,000	\$0	\$213,000
BCP 07 - College and Career Connection (4 Strategic Policy PY's)	Funding and positions to establish a new unit to create a statewide infrastructure of partnerships to increase awareness of financial aid	4.0	\$909,000	\$0	\$909,000
BCP 08 - Program Review and Capacity (2 Administration PY's)	Funding and positions to restore the ability to review and analyze the performance and administration of CSAC programs, and to manage the high volume of data requests without redirecting mission-critical staff	2.0	\$186,000	\$0	\$186,000
BCP 09 - Human Resources Management (2 Administration PY's)	Funding and positions for an Equal Employment Opportunity Officer and a Training Program Officer	2.0	\$237,000	\$0	\$237,000
BCP 10 - Expand Customer Care Services (11 PASD PY's)	Funding and positions for additional staff to reduce the number of unanswered telephone calls for assistance from students, families and institutions	11.0	\$921,000	\$0	\$921,000
<b>LEGISLATIVE BCP'S</b>					
BCP 01 - Public Interest Attorney Loan Repayment (SB 134) (1 PASD PY)	Funding and 1 position to implement the newly funded loan repayment program for public attorneys	1.0	\$111,000	\$0	\$111,000
BCP 02 - High School Grad. Electronic Submission (AB 1091) (1 IT PY)	Funding and 1 position to new statutory requirements for a uniform template for electronically submitting grade point averages for high school seniors	1.0	\$139,000	\$0	\$139,000

**SUMMARY**

<b>Division</b>	<b>PY</b>	<b>Operations</b>	<b>Local Assistance</b>	<b>Total</b>
Information Technology	27.0	\$6,664,000	\$0	\$6,664,000
PASD	26.0	\$2,511,000	\$244,600,000	\$247,111,000
Strategic Policy, Media & Comm.	4.0	\$909,000	\$0	\$909,000
Administration & External Affairs	4.0	\$423,000	\$0	\$423,000
<b>Budget Year Total</b>	<b>61.0</b>	<b>\$10,507,000</b>	<b>\$244,600,000</b>	<b>\$255,107,000</b>